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Master's thesis  
Licentiate's thesis  
Doctor's thesis

Subject	International Business	Date	28.9.2011
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		Number of pages	91 p. + appendix
Title	Leadership functions in service innovation process A case study of a Nordic service company		
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**Abstract**

In order to gain and sustain competitive advantage in this creative economy, companies need to focus on innovations. Innovativeness is unlikely without skilled leaders that guide teams, which develop new products, services and technologies. Organizations capability to introduce successful innovations largely depends on how innovation activities have been organized in a company and on how effective the applied process is. The purpose of the study was to *analyse and compare leadership functions in service innovation process*.

The study concentrated on identifying the different stages of service innovation process in order to find out what leadership functions are needed at each stage of the process. Furthermore, the research focused on comparing leadership functions in service innovation process across Finland, Sweden and Norway through a qualitative case study of a Nordic service company.

The main research findings suggest the process of service innovation development to involve four stages through which an idea is turned into a successful service. The activities between the stages were found to be very different by nature, thus requiring different functions from the leader. The first stage of the process is very unstructured and focuses on getting expressions. The leader is required to act as an enabling force to move things forward. The second stage is more detailed and focuses on analysing the potential of the idea thus requiring professional support from the leader. The process grows at the third stage and becomes more complex thus requiring a leader to keep everything together. At the final stage of the process, the innovation is made happen in the market and quick reaction to changes is needed from the leader.

Furthermore, significant differences on leadership functions between Finland, Sweden and Norway were discovered. Finnish leadership was discovered to emphasise a direct and authoritarian way of driving the innovation process, while Swedish leadership was found to be more consensus-driven and Norwegian leadership to be more goal-oriented. Leadership functions seem to differ the most at the early stages of the process across these Nordic cultures.

The findings of the thesis have not only the potential to help service companies to improve the process of developing new services, but also the potential to enhance collaboration across Nordic cultures in new service development efforts.

Key words	Service innovations, service innovation process, innovation leadership
Further information	